

IT IS SO ORDERED.

Dated: January 12, 2024



Tiiara N.A. Patton
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT FOR THE
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

In re:

Gray Matter Holdings Inc.,

Debtor.

Chapter 11

Case No. 23-41366 (TNAP)

Judge Tiiara N.A. Patton

**ORDER ABSTAINING AND DISMISSING
DEBTOR'S BANKRUPTCY CASE PURSUANT TO 11 U.S.C. § 305(a)**

The matter came before the Court on *Debtor's Amended First Day Motion to Expedite Hearing on Motion for TRO* (ECF Docket No. 7) (the “Motion”) filed by Gray Matter Holdings Inc. (“Debtor”) requesting the Court to enter a temporary restraining order and preliminary injunction prohibiting David Handel, shareholder and creditor of Debtor, from denying Anthony James Davian, Jr., the purported president and CEO of Debtor, from having (1) access to the Youngstown facility, (2) full and comprehensive access to the financial records of Debtor, (3) full access to all corporate accounts including bank accounts and bank records, and (4) full power and authority over personnel decisions and other management decisions in the ordinary course of business. See ECF Docket Nos. 4 and 19. The Motion was opposed by Mr. Handel. See

ECF Docket Nos. 20, 21 and 22. The Court held a two-day hearing on this matter on December 27 and 28, 2023. After the resolution of certain evidentiary objections, the Court directed the parties to file simultaneous briefs on the following issues: (a) whether the Court should abstain from the Bankruptcy Case pursuant to 11 U.S.C. § 305(a), which was raised by the Court *sua sponte*; (b) whether judicial estoppel precludes Mr. Handel from arguing that Mr. Davian does not control 51% of the shares of the Debtor; (c) whether Mr. Davian had the proper corporate authority to file the Bankruptcy Case; and (d) whether the Court should grant motion Debtor's motion for a temporary restraining order. The Court also invited the United States Trustee to brief the abstention issue. Subsequently, the United States Trustee filed the *Response Regarding Abstention Pursuant to 11 U.S.C. § 305* (ECF Docket No. 40), Mr. Handel filed *Shareholder and Creditor David Handel's Supplemental Brief in Opposition to Debtor's Motion for Temporary Restraining Order* (ECF Docket No. 44), Debtor filed *Debtor's Brief on Issues of Abstention, Authority to File the Bankruptcy Case, Judicial Estoppel and Temporary Restraining Order* (ECF Docket No. 45). On January 12, 2024, the Court held a continued hearing on the foregoing, and for the reasons stated on the record,

IT IS HEREBY ORDERED THAT:

1. The Court exercises its discretion to abstain, and this bankruptcy case is dismissed pursuant to 11 U.S.C. § 305(a).

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